



AMERICAN MEDICAL RESPONSE®

## FIRST AMENDMENT TO SERVICE AGREEMENT

**THIS FIRST AMENDMENT TO SERVICE AGREEMENT** ("Amendment") is made between American Medical Response Ambulance Service, Inc. ("Provider") and Redmond Fire Department (the "Department") set forth below.

**WHEREAS**, the parties wish to amend the Service Agreement that they entered **September 1, 2007** ("Agreement");

**WHEREAS**, Provider incorrectly paid the Department liquidated damages for past calls in which Provider was unable to respond in the amount of three hundred dollars (\$300.00) instead of the agreed upon amount of five hundred dollars (\$500.00); and

**WHEREAS**, the parties wish to resolve any and all claims and disputes regarding liquidated damages paid by Provider for past calls in which Provider was unable to respond; and

**WHEREAS**, the parties wish to amend the Agreement on the terms and conditions set forth herein.

**NOW THEREFORE**, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. This Amendment shall be effective when executed by all parties and the effective date shall be **January 1, 2009**.
2. **Mutual Release.** The parties, their officers, agents, heirs, successors, and assigns hereby release each other of and from all debts, demands, actions, causes of action, arbitration, claims, suits, accounts, covenants, contracts, and agreements, both known and unknown, of any name and nature, and in law and in equity, which may be asserted against the parties, their heirs, successors, parents, owners, managers, subsidiaries, and assigns that the parties now have, or ever had, from the beginning of the world to the date of this Amendment, arising out of any act, event, omission, or occurrence, which took place prior to the date of this Amendment and specifically related to, all claims and defenses that were or could have been asserted in connection with the liquidated damages paid by Provider for past calls in which Provider was unable to respond. The release set forth in this paragraph shall only apply to the liquidated damages paid by Provider for past calls in which Provider was unable to respond defined herein and shall not operate as a general release or release of any other debts, demands, actions, causes of action, arbitration, claims, suits, accounts, covenants, contracts, agreements, or claims that may exist between the parties.
3. The parties wish to replace Exhibit B of the Agreement in its entirety with Exhibit B, attached hereto

4. The parties hereby add the following terms to the Agreement:

- a. **Compliance.** The parties will comply in all material respects with all applicable federal and state laws and regulations including, the federal Anti-kickback statute.
- b. **Compliance Program and Code of Conduct.** AMR has made available to each party a copy of its Code of Conduct, Anti-kickback policies and other compliance policies, as may be changed from time-to-time, at AMR's web site, located at: [www.amr.net](http://www.amr.net), and each party acknowledges receipt of such documents. AMR warrants that its personnel shall comply with AMR's compliance policies, including training related to the Anti-kickback Statute.
- c. **Non-Exclusion.** Each party represents and certifies that neither it nor any practitioner who orders or provide Services on its behalf hereunder has been convicted of any conduct that constitutes grounds for mandatory exclusion as identified in 42 U.S.C. § 1320a-7(a). Each party further represents and certifies that it is not ineligible to participate in Federal health care programs or in any other state or federal government payment program. Each party agrees that if DHHS/OIG excludes it, or any of its practitioners or employees who order or provide Services, from participation in Federal health care programs, the party must notify the other party within five (5) days of knowledge of such fact, and the other party may immediately terminate this Agreement, unless the excluded party is a practitioner or employee who immediately discontinues ordering or providing Services hereunder.
- d. **Referrals.** It is not the intent of either party that any remuneration, benefit or privilege provided for under the Agreement shall influence or in any way be based on the referral or recommended referral by either party of patients to the other party or its affiliated providers, if any, or the purchasing, leasing or ordering of any services other than the specific services described in this Agreement. Any payments specified herein are consistent with what the parties reasonably believe to be a fair market value for the services provided.

5. All other terms and conditions set forth in the Agreement remain unchanged.

**IN WITNESS WHEREOF**, the parties have hereto executed this Amendment.

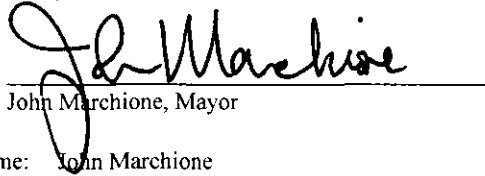
**American Medical Response Ambulance Service, Inc.**

By:

  
Randy Strozyk DCOO

**City of Redmond**

By:

  
John Marchione, Mayor

Print Name: John Marchione

Print Title: Mayor

## EXHIBIT B

### Response Time Standards

#### 1. Zone Standards

If in any contract year the Provider maintains a response time performance level at less than ninety percent (90%) monthly compliance in any four (4) months or two (2) consecutive months, the Department shall have the right to terminate the Agreement.

#### 2. Response Time Exemptions

In the monthly calculation of the Provider's response time performance, every Basic Life Support emergency medical service call originating from the Department within the emergency ambulance provider operating area shall be included except as follows:

- 2.1. In case of a period of unusual system overload, e.g., multiple incidents with multiple victims or a large number of victims from a single incident (e.g., bus crash, plane crash, etc.). For purposes of calculations, unusual system overload will not exceed 3% of provider's monthly call volume per zone.
- 2.2. **Exemptions.** The Provider shall apply for, and the Fire Departments shall grant, exemptions to response time performance standards in situations beyond the Provider's control that cause unavoidable delays or no response. The Departments shall examine each request for exemption and shall take into consideration traffic, street blockages, severe weather, and other influencing factors. If the Fire Departments determine the circumstances so warrant, the Fire Departments shall grant an exemption of the response from the performance standards. To be eligible for such an exemption, the Provider shall apply for the exemption with supporting documentation no later than the month following the month of the occurrence. The following subsections describe situations where the Department shall grant an exemption.
  - **Multiple Unit Response.** In the event two (2) or more ambulance units are simultaneously committed to one (1) incident, the first arriving ambulance unit shall be held to the response time standard. The Department may grant an exemption for each ambulance unit starting with the second unit provided the additional units arrive at the scene within an additional 10 minutes. The event that two (2) units are independently committed to two (2) independent incidents, both units shall be held to the response time standard.
  - **Concurrent Responses.** In the event three (3) or more ambulance units are simultaneously committed to one (1) incident, and one (1) or more additional units are concurrently responding to at least one (1) other separate incident, the Fire Departments may grant an exemption for each unit starting with the third unit provided the additional units arrive at the scene within an additional 10 minutes.
  - **Declared Disaster.** In the event an emergency is declared, as defined by RCW 43.06, the Fire Departments may grant an exemption for all ambulance units during the declared emergency.

- **Canceled Request.** In the event a request is canceled prior to or at the ambulance unit's arrival on scene for reasons other than exceeding the maximum response time standard, the Fire Departments will grant an exemption. A Canceled Request will be defined by terminology mutually acceptable to the Contract Officer and Provider's operations manager.
- **Response Location Errors.** In the event the Communications Center provides an inaccurate address, or if the location does not exist, the Fire Department will grant an automatic response time exemption, except if the incorrect response is the result of an error made by Provider's personnel, in that event the Fire department shall not grant an exemption.
- **Response Location Change.** In the event the Fire Department changes the incident location and the change delays the ambulance unit's response time because the unit must reroute farther than one (1) block to respond to the call, the Fire Department shall grant an exemption.
- **Response Delayed by Accident.** In the event the ambulance unit is involved in an accident and cannot continue to respond to the call, the Fire Department may grant an exemption.
- **Response Requested to Area Outside Primary Coverage Area.** In the event the Department requests the Provider respond to an area outside of its primary coverage area, the Fire Department may grant an exemption to the Emergency Response Performance Standard on the condition that the Provider uses diligence to respond to the scene within a reasonable time.

### 3. Liquidated Damages

- 3.1 **Penalties.** Each and every call that does not adhere to the scope of services – performance standards as more specifically defined in the Proposal shall first be classified as an alleged performance failure. Each alleged performance failure shall be investigated by the Provider and evaluated by the Department. The Department shall determine whether there were appropriate or acceptable extenuating circumstances that caused or significantly contributed to the performance failure. The Provider shall pay liquidated damages to the Departments for all performance failures that are determined to be the fault of the Provider and not the result of an extenuating circumstance. All payments for liquidated damages shall be made payable to the Fire Department where the incident occurred. Liquidated damages shall include, but are not limited to the following:

Action or Omission	Liquidated Damage
For any response to a request that exceeds the response time requirements for that area.	<p>The Provider shall be assessed liquidated damages, per non-compliant response, at the following rates:</p> <ul style="list-style-type: none"> <li>• 01:00-3:00 minutes: One Hundred and 00/100 Dollars (\$100.00).</li> <li>• 3:01-7:00 minutes: Two Hundred and 00/100 Dollars (\$200.00).</li> <li>• 7:01-10:00 minutes: Three Hundred and 00/100 Dollars (\$300.00).</li> <li>• Greater than ten (10) minutes: Four Hundred and 00/100 Dollars (\$400.00).</li> </ul>
For any individual response exceeding the maximum response time or being cancelled due to exceeding the maximum response time.	The Provider shall be assessed liquidated damages of Three Hundred and 00/100 Dollars (\$300.00) per incident.
In the event the Provider fails or is unable to respond.	The Provider shall be assessed liquidated damages of Five Hundred and 00/100 Dollars (\$500.00) per incident.
In the event the Provider fails to arrive in a timely manner and the Fire Department transports the patient.	The Provider shall be assessed liquidated damages of Three Hundred and 00/100 Dollars (\$300.00) per incident.
In the event Provider fails to furnish required information, reports, or documentation within the time period specified by the Agreement or by the Department's request.	The Department may, at its option, impose liquidated damages of Fifty and 00/100 Dollars (\$50.00) per day for each item of such information, report, or document. Such liquidated damages shall not be applied in cases where the cause of such reporting deficiency was beyond the Provider's reasonable control.
If an ambulance vehicle experiences a mechanical failure (breakdown) while transporting a patient to a hospital.	The Provider shall be assessed liquidated damages of Three Hundred and 00/100 Dollars (\$300.00) except when the Provider has provided timely and appropriate patient transfer and when the provider has properly maintained the vehicle.
For failure to utilize an acceptable CAD System.	The Provider shall be assessed liquidated damages of Two Hundred Fifty and 00/100 Dollars (\$250.00) per day.

Action or Omission	Liquidated Damage
In the event Provider is unable to respond, but sends another provider.	The Provider shall be assessed liquidated damages of One Hundred and 00/100 Dollars (\$100.00) per incident. Each incident will be classified as a performance failure in the monthly calculation of Provider's response time performance.

The above damages are not cumulative and each call will be assessed only one liquidated damage per the chart above.

**Invoicing and Payment of Liquidated Damages.** No more frequently than monthly and at least quarterly, the Department shall invoice Provider for any liquidated damages assessed during the prior period. AMR shall pay the liquidated damages within 30 days of receipt of invoice. In the event the Department fails to invoice within 30 days of the end of the prior period, the liquidated damages shall be deemed waived for the period.

**Annual Review of Liquidated Damages.** Both parties agree to meet at or near the one year anniversary of this Agreement to determine if liquidated damages provisions are fair and equitable.

- 3.2 **Appeal Rights.** The Provider may request that the Department's Contract Administrator reconsider imposition of liquidated damages. In instances when the Department's Contract Administrator has reviewed the circumstances for imposing liquidated damages and determined that the grounds were sufficient to justify the imposition of the liquidated damages, the Provider shall have the right to appeal such determination to the Fire Chief of the affect agency. The Contract Administrator shall report the reasons for the determination to impose liquidated damages to the Fire Chief. The ruling of the Fire Chief shall be final.
- 3.3 **Liquidated Damages Waived for Start-Up Period.** The Department shall waive the response time liquidated damages for the first two (2) months of the Agreement.